

CHOOSING THE CORRECT LOCATION FOR YOUR PAYMENT

Once the agency has determined what they are paying the vendor for (services or supplies), the next step is to find the correct location to use in the voucher. Following are some examples of how choosing the correct location will do your 1099 reporting work for you.

1. **Common sole proprietorships paid for supplies.** Although the following vendors are sole proprietorships and therefore reportable, most vouchers made payable to them are for supplies. If Vendor Registry has determined that the vendor can possibly provide a service, withholding is left turned on, but a non-reportable location is added for goods/supplies. The description of these Location names should be viewable in vouchers.

- ✚ Dakota Awards (#204) has a location called "GOODS" for non reportable purchases, and a location called "MAIN" for reportable services.
- ✚ Prairie Rose Data Products (#311) has a location called "REMITT" for non reportable payments and a location called "1099" for reportable services.
- ✚ Great Capital Lunchroom (#239) has a location called "REMIT" for non reportable goods like pop and coffee. A location called "REMIT2" is set up for reportable services such as catering.

2. **Individuals who receive non-reportable state monies.** Individuals must have withholding turned on, because it is possible that they could be paid for services at any time by another agency. If Vendor Registry has been notified that certain individuals should not be reported for income from a particular program, a location is set up specifically for that agency to use and not worry about withholding on the vouchers.

- ✚ Foster Grandparent Program through Dept. of Human Services
- ✚ 1099-G locations used for grain tax refunds by Commodity Groups
- ✚ Other non-reportable grants as labeled in the description field
- ✚ 1099-S locations used by DOT for right-of-way payments

3. **Combination vendors.** Utility payments for heat, water, phone, cable and even monthly Internet service are all non-reportable according to IRS. Wherever possible, Vendor Registry removed the withholding link from these vendors, even if they were partnerships. Some vendors proved too complicated for this, however:

- ✚ Midcontinent Business Solutions (#81925) had to be set up as an entirely new vendor to properly cover its combination of services and utilities. This vendor has separate locations for (1) reportable cable advertising, (2) non-reportable Internet service, and (3) other reportable services, such as consulting or installation charges. PeopleSoft allows the creative use of locations and addresses to meet the needs of all vendors. That leads us to the next item . . .

4. To paraphrase Jerry Maguire, “Help us, help YOU!”

- ✚ If an agency has a program where it’s known that the recipients should not receive a 1099, please tell Vendor Registry this at the time the vendor is set up. A special type of location can be set up for these programs to make your 1099 reporting cleaner, but we have to be told!
- ✚ If your agency only pays a vendor for goods and never services, ask Vendor Registry to set up a non-reportable location on that vendor and label it for your agency’s use only.
 - ❖ This also works if your agency pays only rent or disaster payments to a vendor, which may require a different withholding class default than 07. Contact Vendor Registry and see what can be worked out.
- ✚ If you are in the middle of a voucher and need withholding information added or changed, please tell Vendor Registry to watch the “effective date.” Vendor addresses and locations have effective dates too, and unless our staff is told otherwise, these rows will be dated the current date. If you need information backdated to the invoice date or accounting date, Vendor Registry must be made aware. In PeopleSoft 8.4, the 1099 information is very sensitive to effective dating and can prevent agencies from seeing the correct information in the voucher.

As you can see, selecting the correct location while entering a voucher is not only important for the correct address and payment method, but it can help provide a smoother 1099 process for you, too.

If you would like some one-on-one training on how to simplify the 1099 reporting process by using vendor locations, please contact Bev Haman at 701-328-2741.

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